

Arkansas State Plan Transmittal #2003-012
Summary

Effective September 30, 2003, professional services provided by medical professional providers affiliated with a State Operated University shall be reimbursed based on the allowable costs of providing such services, as determined by the Department (or at a higher level if authorized by another provision of this State Plan). Eligible medical professionals shall be paid a base amount according to otherwise applicable provisions of this State Plan. An interim supplemental cost-based adjustment shall be paid on a monthly basis. The amount of the interim supplemental adjustment shall be determined prospectively before the start of the state fiscal year as follows, based on the most recent audited state fiscal year data available:

1. Determine total costs for the medical professional providers affiliated with the State Operated University, including salaries, benefits, services, supplies, equipment, and allocated general and administrative expenses, physical plant expenses and library and educational support expenses.
2. From the amount determined in Step 1, deduct all non-allowable costs, including costs associated with research, grants, endowment spending, contracts, VA faculty costs, and house staff.
3. Determine the ratio of Medicaid charges to total charges for the medical professional providers affiliated with the State Operated University.
4. Multiply the amount determined in Step 2 by the ratio determined in Step 3.
5. Subtract the base amount of Medicaid reimbursement received by the medical professionals pursuant to other provisions of this State Plan from the amount determined in Step 4.
6. Divide the amount determined in Step 5 by 12. The result shall be the amount of the monthly interim supplemental adjustment for the upcoming fiscal year.

After the end of the state fiscal year, an adjustment shall be made (upwards or downwards) to the total amount payable under this provision based on the actual costs incurred by the medical professionals affiliated with the State Operated University for the fiscal year.